

EXHIBIT A

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY
CIVIL ACTION NO. 97-3407 (DRD)

WALSH SECURITIES, INC., :
Plaintiff, : DEPOSITION UPON
v. : ORAL EXAMINATION
CRISTO PROPERTY MANAGEMENT, : OF
LTD., et al., : ROBERT WALTER
Defendants. : SKOWRENSKI, II

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Skowrenski - direct

	50		52
1	Q Which individuals?		1 BY MR. KOTT:
2	A The loan originators.		2 Q My words might be unartful. Let me
3	Q How would the loan originators make		3 tell you what I'm trying to ask you. If a lender --
4	that decision? Why would they choose Walsh? Why		4 withdrawn.
5	would they choose Aimes?		5 If a broker came in and he would
6	A That was one of the responsibilities of		6 qualify for one type of loan but National Home
7	the wholesale Account Executive. There was an		7 Funding put him in a more expensive loan for him,
8	Anthony D'Apolito for every one of these lenders		8 would Walsh compensate National Home more than they
9	that would come and solicit my guys' business.		9 would than if they put him in the loan that he
10	Either through the combination of the		10 qualified for?
11	relationship -- if pricing, for example, fit.		11 MR. MAGNANINI: Objection to form.
12	Either doing business. They would make a selection.		12 A This one I can answer?
13	Q Did Walsh have any programs that were		13 Q Yes. Unless your attorney tells you
14	unique to Walsh?		14 you can't.
15	A I don't recall particularly the		15 A I don't believe so.
16	program.		16 Q Why do you say that?
17	Q Were all of Kane's loans sold to Walsh?		17 A Because I don't have any recollection
18	A I don't believe all of them. No.		18 of how it worked back then.
19	Q Where else were Kane's loans sold to?		19 You have to understand I'm measuring
20	A I don't recall who. I believe there		20 today's knowledge with 14 years ago.
21	was a couple that went to or some that went to		21 Q You described the structure of what
22	Coastal, though.		22 Walsh funded and Walsh underwrote. Do you remember
23	Q The "Coastal" you're referring to is		23 all of that?
24	not the title insurance agent?		24 A Yes.
25	A Yes. Correct.		25 Q To whom was the title insurance policy
	51		53
1	Q Another entity that happens to be		1 issued? Was it issued to Walsh or was it issued to
2	called Coastal?		2 National Home Funding?
3	A The wholesale lender.		3 A I believe the way they were funded
4	Q How did National Home Funding make		4 through Walsh -- we were cable funding. So that
5	money on loans it sold to Walsh? Sorry. Shall I		5 meant we closed in NHF's name with Walsh's money.
6	call it "broker"?		6 So we would do an assignment, an allonge, prior to
7	A How we make money in a scenario like		7 closing. That would mean we were the -- NHF was the
8	that. A typical wholesale-retail relationship. We		8 lender of record. So I believe that the title
9	are giving pricing in a wholesale model that is		9 policy should be in NHF's name.
10	marked up, for all intents and purposes, and that		10 Q You used the word "allonge." Can you
11	spread is our profit.		11 put that in lay terms, what that is?
12	Q With respect to Walsh in particular,		12 A The allonge in the assignment gave all
13	were the financial incentives on National Home		13 rights instantly in that loan over to the funder.
14	Funding to sell somebody a loan that was more		14 Q Did Walsh set up its relationship with
15	expensive than the person needed?		15 National Home Funding such that National Home
16	A No.		16 Funding would be the named insured under the title
17	Q Why do you say that?		17 policy?
18	A It was no different than any of the		18 A I believe that was their model at the
19	lenders in the sub-prime world. I don't		19 time.
20	differentiate them. It was just sub-prime paper.		20 Q If I refer to a closing service letter
21	Q If a particular lender -- withdrawn.		21 or closing-protection letter, do you know what I'm
22	I'm sorry. If a particular borrower --		22 referring to?
23	MR. MANNING: I have to get that call.		23 A By name and by look, yes.
24	Sorry.		24 Q Calling your attention, for instance,
25	(Recess.)		25 to Skowrenski Exhibit 2. Exhibit B, which is a

14 (Pages 50 to 53)